

# Economic Benefits

## Investing in Infrastructure

### Creating Jobs

Investment in transportation leads to economic development along with measurable impacts that benefit the public in general. For every \$1 billion invested in highways, there are 47,500 jobs generated—26,500 in construction alone. Based on the increases that Indiana has seen in federal funding since the beginning of TEA-21, the state has seen 61,275 jobs provided. Investments in transit and air infrastructure yield proportionate results.

The jobs provided are well-paying and competitive. Based on a national survey, the average annual income of workers employed in the road construction industry was \$36,800, well above the average in most manufacturing and service-producing industries.

### Increasing Sales

In addition to the construction industry, the benefit to the indirect job market is significant. Based on

calculations given by the American Road and Transportation Builders Association (ARTBA) in 1999, the investment in Indiana's highways since the beginning of TEA-21 have provided more than \$70 million in aggregates sales and more than \$129 million in asphalt and cement sales. Engineering services have benefited by \$57–75 million, depending on the highway work performed. Transportation, communications and utilities have had an impact of \$172 million in sales. Wholesale and retail trade has seen almost \$100 million and the finance, insurance and real estate industry has benefited by more than \$86 million. During a time when every state is deciding how best to rejuvenate the economy, investment in transportation infrastructure is a proven growth initiator.

### Return on Investment

In addition, investment in transportation has a competitive return value. When the interstate system was completed, the

investments into the system had an annual return per dollar invested of \$0.54, so that the initial costs were recovered within two years. The return has diminished since the construction ended, but there is still an average return of \$0.32 per dollar invested, more significant than private capital interest rates.

### Improving the Flow of Goods

In addition to creating jobs throughout the industry sectors, investment in transportation also provides economic development through the efficient movement of commodities. Goods movement is dependent on efficient and reliable highway, rail, air and water systems. However, about 72 percent of the nationwide commerce is transported solely by truck. In Indiana, truck vehicle miles traveled is at an all-time high, as evidenced on the next page.

*Sources: Federal Highway Administration, AASHTO and ARTBA.*

<http://www.in.gov/dot>

